

Quizizz

Midterm - Microecon

Name : _____

Class : _____

Date : _____

1. Which is LEAST likely to cause an increase in demand?

- | | |
|---|--|
| <input type="checkbox"/> a) a new ad campaign featuring a prominent celebrity | <input type="checkbox"/> b) an increase in the price of a substitute |
| <input type="checkbox"/> c) a decrease in income | <input type="checkbox"/> d) an expectation of higher future prices |

2. A price floor is problematic in a market because it leads to

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|--|--|
| <input type="checkbox"/> a) surpluses | <input type="checkbox"/> b) shortages |
| <input type="checkbox"/> c) decreased productivity | <input type="checkbox"/> d) increased taxes. |

3. If the price of a product falls, which is true regarding demand?

- | | |
|---|---|
| <input type="checkbox"/> a) demand decreases | <input type="checkbox"/> b) demand increases |
| <input type="checkbox"/> c) quantity demanded decreases | <input type="checkbox"/> d) quantity demanded increases |

4. In the United States economy, the role of money is to

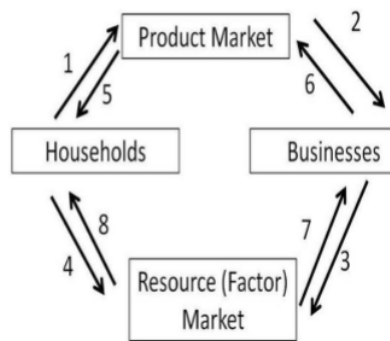
- | | |
|--|--|
| <input type="checkbox"/> a) set prices on goods and services | <input type="checkbox"/> b) facilitate exchange between buyers and sellers |
| <input type="checkbox"/> c) control inflation | <input type="checkbox"/> d) create jobs in the factor market |

5. Which provides the greatest incentive for entrepreneurs to take risks?

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|---|--|
| <input type="checkbox"/> a) progressive taxes | <input type="checkbox"/> b) prices |
| <input type="checkbox"/> c) profits | <input type="checkbox"/> d) production possibilities |

6. Arrows 4 and 7 on this circular flow diagram demonstrate

Please use the following passage for this question.



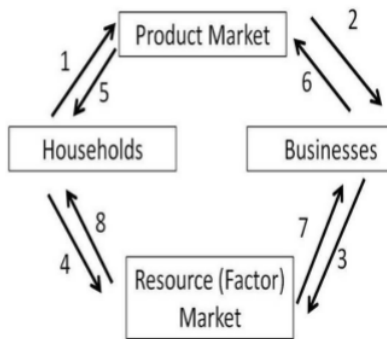
- ☐ a) the flow of land, labor, and capital
- ☐ b) prices
- ☐ c) taxes.
- ☐ d) money flow
7. What is the main difference between pure competition and monopolistic competition?
- ☐ a) firms in pure competition make more profits
- ☐ b) firms in pure competition have no substitutes to their goods
- ☐ c) firms in pure competition are selling nearly identical, rather than differentiated goods
- ☐ d) firms in pure competition rely more heavily on advertising
8. When the income in households increases, what is the likely result?
- ☐ a) The demand curve shifts to the left
- ☐ b) The supply curve will shift to the left
- ☐ c) The supply curve becomes vertical
- ☐ d) The demand curve shifts to the right
9. Sellers enter a market looking to make as much money as possible by offering a good or service. Buyers enter a market looking to spend as little as possible for a good or service. This interaction determines the
- ☐ a) production possibilities curve
- ☐ b) productivity of a business
- ☐ c) market clearing price of a good
- ☐ d) economic system of a country

10. Changes in quantity demanded of a good or service due to changes in the price of that good or service is MOST DIRECTLY related to which economic concept?

- ☐ a) consumer sovereignty ☐ b) economic equity
☐ c) price elasticity of demand ☐ d) opportunity cost

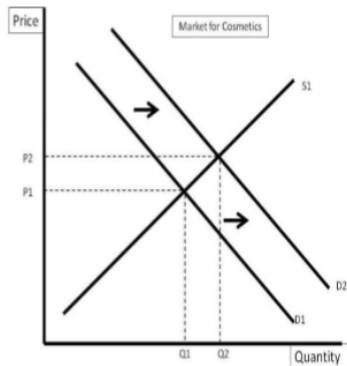
11. In the graph shown, a price of \$40 represents which situation?

Please use the following passage for this question.



- ☐ a) A surplus because the price is below equilibrium ☐ b) A surplus because the price is above equilibrium
☐ c) A shortage because the price is above equilibrium ☐ d) A shortage because the price is below equilibrium

12. Which describes what has happened in the graph?



- ☐ a) The increase in supply has caused an increase in equilibrium quantity ☐ b) Supply has decreased, causing an increase in equilibrium price
☐ c) An increase in demand has caused a decrease in equilibrium price ☐ d) Demand has increased, causing an increase in equilibrium quantity

13. The Law of Supply states that

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|---|---|
| <input type="checkbox"/> a) as prices decrease, quantity supplied decreases | <input type="checkbox"/> b) as prices decrease, demand decreases |
| <input type="checkbox"/> c) as prices increase, supply increases | <input type="checkbox"/> d) as prices increase, quantity demanded decreases |

14. In a market economy, the role of buyers and sellers is to

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|---|---|
| <input type="checkbox"/> a) manipulate supply and demand to provide the best overall benefit to everyone in society | <input type="checkbox"/> b) establish equilibrium prices and quantities for goods and services. |
| <input type="checkbox"/> c) avoid causing inflation | <input type="checkbox"/> d) remove any government interaction in the market |

15. Which statement is true of a circular flow diagram?

- | | |
|--|--|
| <input type="checkbox"/> a) Businesses and households are not components of the circular flow diagram. | <input type="checkbox"/> b) Households are demanders in the factor market and suppliers in the product market. |
| <input type="checkbox"/> c) Households are demanders in the product market and suppliers in the factor market. | <input type="checkbox"/> d) Businesses are demanders in the product market and suppliers in the factor market. |

16. Which of the following would cause the supply of wheat to shift to the right?

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|--|--|
| <input type="checkbox"/> a) a new, faster wheat harvesting machine | <input type="checkbox"/> b) a decrease in producer subsidies |
| <input type="checkbox"/> c) wheat producing companies leaving the market | <input type="checkbox"/> d) an increase in household incomes |

17. Which of the following BEST describes entrepreneurship?

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|--|---|
| <input type="checkbox"/> a) the ability of a person to work more efficiently than another person | <input type="checkbox"/> b) the physical and mental talents of workers |
| <input type="checkbox"/> c) a person who uses land, labor, and capital in their job | <input type="checkbox"/> d) a person willing to take a financial risk by combining resources to produce a good or service |

18. Steel Beam, Inc., is looking to purchase a new steel processing machine and factory. In the circular flow diagram, this transaction will take place in the

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|--|---|
| <input type="checkbox"/> a) product market. | <input type="checkbox"/> b) foreign exchange market |
| <input type="checkbox"/> c) government controlled sector | <input type="checkbox"/> d) resource market |

19. Demand for gasoline is said to be fairly inelastic for most people. This is probably because

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|--|---|
| <input type="checkbox"/> a) it has few substitute goods and is in large supply | <input type="checkbox"/> b) it has many substitute goods and is easily attained |
| <input type="checkbox"/> c) it is difficult to make cheaply | <input type="checkbox"/> d) it has few substitute goods and is necessary for most transportation. |

20. How are equilibrium price and quantity determined in most markets in the U.S. economy?

- | | |
|---|--|
| <input type="checkbox"/> a) by the law of demand | <input type="checkbox"/> b) by the law of demand |
| <input type="checkbox"/> c) consumer and producer interaction | <input type="checkbox"/> d) by a point on a production possibilities curve |

21. The payments for land, labor, capital, and entrepreneurial ability respectively are

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|---|--|
| <input type="checkbox"/> a) rent, profit, wages, and interest | <input type="checkbox"/> b) profits, wages, interest, and rent |
| <input type="checkbox"/> c) rent, wages, interest, and profit | <input type="checkbox"/> d) wages, rent, profit, and interest |

22. As the price of a good rises in a market, it acts as a signal

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|---|---|
| <input type="checkbox"/> a) to consumers that they should buy a greater quantity of the good. | <input type="checkbox"/> b) to producers that they should supply a greater quantity of the good |
| <input type="checkbox"/> c) to consumer that they should increase their demand for the good | <input type="checkbox"/> d) to producers that they should increase their supply of the good |

23. When economists measure the responsiveness of consumers to changes in price, they are measuring:

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|--|---|
| <input type="checkbox"/> a) the percentage change in price | <input type="checkbox"/> b) the price elasticity of demand. |
| <input type="checkbox"/> c) the price elasticity of supply | <input type="checkbox"/> d) income elasticity |

24. In which market structure does a firm have greatest control over its product's price?

- | | |
|---------------------------------------|--|
| <input type="checkbox"/> a) oligopoly | <input type="checkbox"/> b) monopolistic competition |
| <input type="checkbox"/> c) monopoly | <input type="checkbox"/> d) perfect competition |

25. Which form of business organization is easiest to organize but is LEAST able to benefit from specialization?

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|---|---|
| <input type="checkbox"/> a) limited partnership | <input type="checkbox"/> b) partnership |
| <input type="checkbox"/> c) corporation | <input type="checkbox"/> d) sole proprietorship |

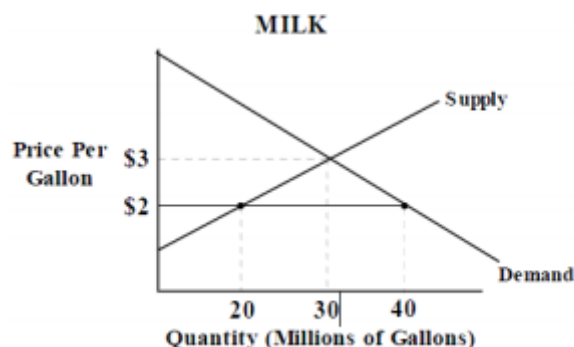
26. When the U.S. government purchases a submarine from a company, the government has made a major transaction in the

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|--|---|
| <input type="checkbox"/> a) product market | <input type="checkbox"/> b) foreign exchange market |
| <input type="checkbox"/> c) factor market | <input type="checkbox"/> d) public market |

27. The law of demand states that

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|--|---|
| <input type="checkbox"/> a) sellers increase supply when price is high | <input type="checkbox"/> b) consumer demand increases when price is low |
| <input type="checkbox"/> c) consumers demand a larger quantity of a good when price is low | <input type="checkbox"/> d) sellers supply a larger quantity of a good when price is high |

28. In the graph above, the equilibrium price and quantity is:



- ☐ a) \$2; 20
 ☐ b) \$3; 30
☐ c) \$2; 30
 ☐ d) \$3; 40
29. Organizers of many high-interest sporting events such as the Super Bowl and the World Series usually set ticket prices lower than the equilibrium price, citing fairness to the public as their reason. What names do economists give to the resulting set price and
- ☐ a) price ceiling; surplus
 ☐ b) price floor; surplus
☐ c) price floor; shortage
 ☐ d) price ceiling; shortage
30. Interdependence and price leadership are characteristics of firms in what kind of market structure?
- ☐ a) oligopoly
 ☐ b) monopoly
☐ c) monopolistic competition
 ☐ d) perfect competition